

**NCBA BANK (RWANDA) PLC REVIEWED FINANCIAL STATEMENTS AND DISCLOSURES FOR THE PERIOD ENDED 30TH JUNE 2023**
**I. STATEMENT OF FINANCIAL POSITION**

	Reviewed 30-Jun-23 Frw'000	Audited 31-Dec-22 Frw'000
<b>ASSETS</b>		
Cash in hand	3,359,772	2,029,558
Balance with National Bank of Rwanda	5,122,978	9,916,217
Deposits and balances due from other banking institutions	24,807,882	13,336,111
Financial instruments -amortized cost	36,319,695	26,740,647
Loans and advances to customers	98,473,455	86,790,615
Other assets	8,300,928	5,132,289
Deferred tax asset	669,308	669,308
Intangible assets	1,244,960	1,232,390
Property and equipment	2,287,683	2,351,500
Right of use assets	1,743,929	1,950,825
<b>Total assets</b>	<b>182,330,590</b>	<b>150,149,460</b>
<b>LIABILITIES</b>		
Deposits from customers	116,037,775	87,349,897
Deposits from banks	14,755,888	8,442,735
Overnight treasury borrowings	2,126,239	6,550,728
Balances due to Group companies	588,111	968,594
Other liabilities	4,019,073	3,304,894
Current tax liabilities	525,915	1,672,528
Borrowed funds	15,503,781	15,503,863
Lease Liability	1,446,352	1,697,206
<b>Total liabilities</b>	<b>155,003,134</b>	<b>125,490,445</b>
<b>EQUITY</b>		
Share capital	30,399,604	30,399,604
Retained earnings	(3,072,148)	(5,740,589)
<b>Total Equity</b>	<b>27,327,456</b>	<b>24,659,015</b>
<b>Total equity and liabilities</b>	<b>182,330,590</b>	<b>150,149,460</b>

**II. STATEMENT OF COMPREHENSIVE INCOME**

	Reviewed 30-Jun-23 Frw'000	Reviewed 30-Jun-22 Frw'000
<b>Revenue</b>		
Interest income	11,560,972	7,261,178
Interest expenses	(2,819,998)	(2,301,958)
<b>Net interest income</b>	<b>8,740,974</b>	<b>4,959,220</b>
Loan Impairment losses	(1,307,933)	(739,837)
<b>Net interests income after impairment</b>	<b>7,433,041</b>	<b>4,219,383</b>
Fee and commission income	524,457	561,829
Net foreign exchange gains	750,738	1,029,398
Other Income	226,950	-
<b>Non funded income</b>	<b>1,502,145</b>	<b>1,591,227</b>
<b>Income from banking activities</b>	<b>8,935,186</b>	<b>5,810,610</b>
Employee benefits expenses	(1,819,419)	(1,453,480)
Depreciation and amortization	(588,831)	(464,754)
Operating expenses	(2,614,612)	(2,095,191)
<b>Finance cost</b>	<b>(100,265)</b>	<b>(86,559)</b>
<b>Total operating expenses</b>	<b>(5,123,127)</b>	<b>(4,099,984)</b>
Profit before income tax	3,812,059	1,710,626
<b>Income tax expense</b>	<b>(1,143,618)</b>	<b>-</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>2,668,441</b>	<b>1,710,626</b>

**III. STATEMENT OF OTHER DISCLOSURES**

	Reviewed 30-Jun-23 Frw'000	Audited 31-Dec-22 Frw'000
<b>A CAPITAL STRENGTH</b>		
a. Core Capital (Tier1)	24,019,288	23,321,810
b. Supplementary Capital (Tier 2)	1,326,584	1,654,616
c. Total Capital	25,345,871	24,976,426
d. Total risk weighted assets	157,645,877	132,369,261
e. Core capital/Total risk weighted assets ratio	15.2%	17.6%
f. Tier 1 ratio	15.2%	17.6%
g. Total capital/total risk weighted assets ratio	16.1%	18.9%
e. Tier 2 Ratio	-	-
i. Leverage ratio	13%	15.5%

**III. STATEMENT OF OTHER DISCLOSURES (Continued)**

	Reviewed 30-Jun-23 Frw'000	Audited 31-Dec-22 Frw'000
<b>B CREDIT RISK</b>		
<b>1. Total gross credit risk exposures</b>		
a. On-balance sheet exposure	102,891,999	89,763,278
b. Guarantees, commitments given	21,719,345	7,377,687
c. Financing commitments given	-	4,242,017
d. Letters of credit	3,940,592	3,470,313
<b>Total gross credit risk exposures</b>	<b>128,551,936</b>	<b>104,853,295</b>
f. Credit Risk Weighted Assets	140,385,494	116,628,804
g. Credit Risk Weighted Assets/RWA	89.05%	88.1%
<b>2. Average gross credit Exposure (Average between June 2023 and Dec 2022)</b>		
a. Loans	96,327,639	71,672,025
b. Commitments	2,121,009	2,762,011
c. Guarantees	14,548,516	5,729,410
d. Letters of credit	3,705,453	1,735,157
e. Debt securities	31,530,171	25,324,276
<b>3. Sector Distribution of Exposures</b>		
Public	18,240,000	16,784,000
Infrastructure and construction	6,026,095	5,544,770
Manufacturing	21,231,343	20,285,933
Services and commerce	24,291,100	19,683,154
Transport and Telecommunication	7,025,479	6,318,364
Others	26,077,982	21,147,057
	<b>102,891,999</b>	<b>89,763,278</b>
<b>4. Off Balance sheet Items</b>		
a. Guarantees, commitments given	21,719,345	7,377,687
b. Financing commitments given	-	4,242,017
c. Letters of credit	3,940,592	3,470,313
	<b>25,659,937</b>	<b>15,090,017</b>
<b>5. Non-performing loan indicators</b>		
a. Non-performing loans	7,639,688	2,278,972
b. NPL Ratio	7.4%	2.5%
<b>6. Related parties</b>		
a. Loans to directors, shareholders and subsidiaries	164,588	198,009
b. Loans to employees	1,870,209	1,326,924
<b>7. Regional Exposure</b>		
East Province	2,254,891	1,417,624
Kigali City	83,931,946	79,658,885
North Province	499,927	123,297
South Province	3,566,335	284,725
Western Province	1,882,857	278,670
Mobile and Credit Cards Loans	10,756,043	8,000,077
	<b>102,891,999</b>	<b>89,763,278</b>
<b>8. Restructured loans</b>		
a. Number of borrowers	34	49
b. Amount outstanding	8,551,859	8,286,618
c. Regulatory provision thereon	65,259	122,311
d. Restructured loans as a % of gross loans	8.3%	9.2%
<b>C LIQUIDITY RISK</b>		
<b>1 Liquidity ratio</b>		
Liquid assets available	69,610,327	52,022,533
Total deposit liabilities	130,793,663	95,792,632
Liquidity coverage ratio	305.8%	270.2%
<b>2 Net Stable Funding ratio</b>		
Available stable funding	112,503,670	77,725,142
Required stable funding	40,762,014	31,827,879
NSFR	276.0%	244.2%
<b>D OPERATIONAL RISK</b>		
Number and type of frauds and their corresponding amount	-	-
Type: None   Number: None   Amount: Nul	-	-
<b>E MARKET RISK</b>		
a. Interest Risk	-	-
b. Foreign Exchange Risk	580,234	1,133,206
c. Equity Position	-	-
d. Market Risk/ RWA	0.4%	0.9%

**III STATEMENT OF OTHER DISCLOSURES (Continued)**

	Reviewed 30-Jun-23 Frw'000	Audited 31-Dec-22 Frw'000
<b>F COUNTRY RISK</b>		
a. Credit exposure Abroad	-	-
b. Other Assets Abroad	21,771,682	7,821,656
c. Liabilities due abroad	-	-
<b>G. MANAGEMENT AND BOARD COMPOSITION</b>		
a. Number of Board members	9	9
b. Number of independent directors	6	6
c. Number of non-independent directors	3	3
d. Number of female directors	3	3
e. Number of male directors	6	6
f. Number of senior managers	11	11
g. Number of female senior managers	2	2
h. Number of male senior managers	9	9

**V. EXPLANATORY NOTES TO THE FINANCIALS**
**1 Net Interest and similar income**

The bank recorded a significant increase in interest and similar income by 59% mainly driven by the growth of the loan book which moved from Rwf 87 billion to Rwf 98 billion between Dec 2022 and June 2023. Interest expense increased by 23% following the increase in deposits from Rwf 96 billion to Rwf 131 billion between Dec 2022 and June 2023.

**2 Non funded income decrease was driven by lower FX deals and volumes during the period.**
**3 Impairment charges**

Loan impairment charge increased as result of the growth of loan book and new non-peforming loan accounts during the period. We have in place necessary measures to avoid deterioration of the loan book quality.

**4 Personnel expenses**

Staff cost has increased by 25% mainly due to new staff recruitment and promotions following the bank growth.

**5 Depreciation and amortization**

Depreciation and amortization increased by 27% year on year due depreciation on new capital assets acquired after June 2022. Main assets acquired were the new software to support the digital banking and offices expansion after June 2022.

**6 Operating expenses**

There was an increase in operating expense following the business growth, offices expansion and additional IT infrastructure.

**7 Loans and advances to customers**

The Loan book grew by 13% between December 2022 and June 2023. The growth in loan book is attributed to new business booked during the period mainly driven by the corporate segment.

**8 Financial instruments -amortized cost**

Investment securities at amortized cost are debt securities issued by the Government of the Republic of Rwanda. The growth is attributed to new treasury bills acquired during the period.

**9 Deposits from customers**

The increase of 37% from the overall deposit book between December 2022 and June 2023 is mainly attributed to new clients acquired during the period.

**10 Borrowed funds**

The bank entered into a long-term borrowing of Rwf 15.5 billion to finance the business growth in the housing and manufacturing businesses.

The financial statements were approved by the board of directors on 9th August 2023 and signed on its behalf by:



**Ms. Lina M Higiro**  
Chief Executive Officer



**Amb. Dr. Benjamin Rugangazi**  
Chairman

The accounts can be accessed from our website: [www.ncbagroup.com](http://www.ncbagroup.com)  
Head office: Kigali Heights 8th floor Plot No. 772, KG7 AVE  
Email: [contact@ncbagroup.com](mailto:contact@ncbagroup.com)



**GET NCBA VISA DEBIT  
AND CREDIT CARDS  
TAILORED FOR YOUR PERSONAL  
AND BUSINESS NEEDS**



Call us on **+250 788 149 555** or visit any  
of our branches to get your cards today.

[ncbagroup.com](http://ncbagroup.com)

**Go for it**

NCBA Bank Rwanda PLC is regulated by the National Bank of Rwanda